



DOCKET FILE COPY ORIGINAL

RECEIVED

FEB 5 1997

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

30 South Wacker Drive
Floor 39
Chicago, IL 60606
Office 312/750-5367
Fax 312/609-6307

John T. Lenahan
Assistant General Counsel

February 5, 1997

Ms. Regina M. Keeney
Chief, Common Carrier Bureau
Federal Communications Commission
Washington, D.C. 20554

Re: Application of Ameritech Michigan for In-Region,
InterLATA Authority; CC Docket No. 97-1

Dear Ms. Keeney:

This letter, and the exhibits thereto, constitute the response of Ameritech Michigan to the February 3, 1997 motion of the Association for Local Telecommunications Services ("ALTS") to strike Ameritech Michigan's reliance in its pending Section 271 application on the Ameritech Michigan/AT&T Agreement approved by the Michigan Public Service Commission ("MPSC").

ALTS asserts that the Ameritech Michigan/AT&T Agreement filed with the MPSC on January 16, 1997 and with the Commission in this docket on January 17, 1997 (and on which reliance is placed in Ameritech Michigan's Brief in support of its application) (a) has not been approved by the MPSC, and (b) in any event, has been "superseded" by another agreement filed with the MPSC on January 29, 1997. Both assertions are wrong.

First, the Agreement submitted to the Commission on January 17 has been approved by the MPSC -- as the public record makes clear (and as AT&T itself has acknowledged). Moreover, as we make clear in the discussion that follows, that Agreement has not been "superseded" by any subsequent filing. Accordingly, the ALTS motion is without merit and should be denied.

1. The Agreement filed with the MPSC on January 16, and with the Commission on January 17, has been approved by the MPSC.

The pertinent facts are these:

1. On August 1, 1996, AT&T filed a Petition for Arbitration with the MPSC, thus initiating the Ameritech Michigan/AT&T arbitration. The procedural history of that arbitration is summarized in the arbitration panel's Decision of Arbitration Panel (Cases U-11151 and U-11152), issued October 28, 1996, at pp. 1-4. As required by the

No. of Copies rec'd
List ABCDE

026

arbitration panel, the parties submitted specific contract provisions covering all disputed issues; they did this both before and after the formal arbitration hearing that was held on September 24 and 25, 1996. This process continued until October 21, 1996.

2. On that date, Ameritech Michigan and AT&T submitted to the Michigan arbitration panel a double redlined interconnection agreement. This filing had been specifically requested by the arbitration panel following the arbitration hearing. That document was several inches thick and represented a complete agreement. Where the parties agreed on contract terms and language, contract language appeared in regular font. Approximately 80% or more of the document was in regular font. Where Ameritech Michigan proposed language with which AT&T did not agree, that language was shaded; and where AT&T proposed language with which Ameritech Michigan did not agree, that language was double-underscored.

3. In its Decision of Arbitration Panel, the arbitration panel went through the October 21 submission and basically called balls and strikes, adopting either Ameritech Michigan's or AT&T's language where the two differed. There was one exception: In the case of certain items on the pricing schedule, the arbitration panel proposed an interim rate different from that proposed by either AT&T or Ameritech Michigan.

4. In its October 28, 1996 Decision of Arbitration Panel, the arbitration panel concluded that as a result of its resolution of the issues presented by the parties' competing language, there was now a complete interconnection agreement, which it "recommend[ed] that the [MPSC] approve."

5. On November 26, 1996, the MPSC issued its Order Approving Agreement Adopted by Arbitration. In that Order, the MPSC modified the interconnection agreement in certain respects. The MPSC also determined that it would reject both parties' proposed language regarding indemnification, limitation of liability and performance standards, and it directed the parties to negotiate new provisions and insert them into the Agreement. The MPSC expressly found:

"Except for the indemnification, limitation of liability, and standards of performance provisions, the interconnection agreement, as adopted by the arbitration panel and as modified by this order, should be approved."

Ms. Regina M. Keeney
February 5, 1997
Page 3

And in accordance with this express finding, the MPSC went on to order:

"Except for the indemnification, limitation of liability, and standards of performance provisions, the interconnection agreement, as adopted by the arbitration panel and as modified by this order, is approved."

6. Accordingly, as of November 26, 1996, there was an MPSC-approved interconnection Agreement between Ameritech Michigan and AT&T. To be sure, there were "holes" for indemnification, limitation of liability and performance standards. But, as directed by the MPSC in its order approving the Agreement, the parties subsequently negotiated mutually satisfactory provisions and, also as directed by the MPSC, incorporated them in their interconnection Agreement.

7. In addition, in its November 26 Order, the MPSC ordered that certain rates determined in the then-pending MPSC cases U-11155 and U-11156 be inserted in the Agreement when these cases were concluded. See Order Approving Agreement Adopted by Arbitration, at p. 8. Cases U-11155 and U-11156 were concluded on December 12, 1996 and established interim rates, among other things, for local switching ports. As required by the MPSC's November 26 Order, Ameritech Michigan inserted these rates in the pricing schedule to the unexecuted Agreement filed with MPSC on January 16 and then with this Commission on January 17.

8. The interconnection Agreement filed with the MPSC on January 16 and with this Commission on January 17 is identical to the interconnection Agreement approved by the MPSC on November 26, 1996 -- with only two exceptions:

- (i) it has provisions dealing with indemnification, limitation of liability and performance standards, and
- (ii) it reflects certain rates from cases U-11155/56.

As noted above, the parties were directed to make these additions by the MPSC in its November 26 Order. Accordingly, in all respects the January 16 version of the Agreement is the interconnection Agreement expressly approved by the MPSC on November 26, 1996.

Ms. Regina M. Keeney
February 5, 1997
Page 4

Based on these facts, it is frivolous to argue, as ALTS does, that the Agreement has not been approved by the MPSC^{1/} -- in a process that was both expeditious and eminently rational. In an effort to get AT&T into the local exchange business as quickly as possible, the MPSC combined the processes of resolving arbitration issues, adopting an agreement by arbitration, and approving that agreement. Because the MPSC had a completed contract before it on November 26, and because the standards for resolving disputed issues and approving an agreement adopted by arbitration are the same -- compliance with the provisions of §§ 251 and 252(d) and the Commission's interconnection regulations, this combining and streamlining of the processes made excellent sense.

From November 26, 1996 forward, Ameritech Michigan has been ready, willing and able to perform under the approved Agreement. The delay since then has been AT&T's doing, not Ameritech Michigan's. It is ironic that the MPSC's commendable efforts to accelerate AT&T's entry into the local exchange business is now being used by our opponents to delay the advent of competition both in that market and in the long distance market.

2. The January 16 version has not been "superseded."

The Agreement filed with the MPSC on January 16, and with the Commission on January 17, was unexecuted. AT&T and Ameritech Michigan executed their Agreement as of January 28, 1997, and a fully executed copy was filed with the MPSC the next day, January 29. It is true, as ALTS points out, that the cover letter that accompanied this filing stated that the executed copy "supersedes" previously filed versions. While this may have been a poor choice of words, it does not alter the indisputable fact that there is no material difference between the unexecuted Agreement filed with the MPSC on January 16 and with this Commission on January 17, on the one hand, and the executed Agreement filed with the MPSC on January 29, on the other. In fact, the terms and conditions are identical -- as AT&T itself has conceded.

^{1/} AT&T has acknowledged that the Agreement has been approved. On January 24, 1997, AT&T filed suit in the federal district court in Detroit, pursuant to § 252(e)(6) of the Telecommunications Act of 1996, against both Ameritech Michigan and the MPSC. In its suit, AT&T challenges certain provisions in the Agreement which it asserts have been approved by the MPSC. An obvious and necessary predicate for this claim is the proposition that the Agreement has in fact been approved by the MPSC.

Ms. Regina M. Keeney
February 5, 1997
Page 5

AT&T submitted a copy of the Agreement, signed by its authorized representative, to Ameritech Michigan under cover of a January 27, 1997 letter from Philip S. Abrahams, AT&T Senior Attorney, to Mr. Ed Wynn, Ameritech's counsel. In his letter (a copy of which is attached hereto as Exhibit A), Mr. Abrahams asked Ameritech Michigan to execute the Agreement and stated that "[t]he only changes to your January 16th filing were made to the Pricing Schedule to reflect the appropriate prices for unbundled Local Switching and Ports." These purported changes in fact did not change the Agreement at all.

AT&T claims that the port rates established in the U-11155/56 cases were for "Michigan ports" and not unbundled local switching ports. Accordingly, in the Agreement that AT&T tendered to Ameritech Michigan on January 27 for execution, AT&T removed the rates for unbundled local switching ports from the unbundled local switching section of the pricing schedule and placed them in a separate section of that schedule which AT&T entitled "Michigan ports." That was the sole change from the Agreement filed by Ameritech Michigan on January 16.

And that change is one that makes no difference at all. In an effort to distinguish the "Michigan port" from the unbundled local switching port, AT&T's counsel, Joan Marsh, on January 17, 1997 wrote to the MPSC, asserted that the two are quite different and, to prove her point, quoted the following definition of the so-called Michigan port:

"Port" except for the loop, means the entirety of local exchange, including dial tone, a telephone number, switching software, local calling, and access to directory assistance, a white pages listing, operator services, and interexchange and intra-LATA toll carriers. MCLA 484.1102(x)2/

This, however, is the same definition that is found in the Ameritech Michigan/AT&T Agreement for unbundled local switching ports. See Ameritech Michigan/AT&T Agreement, Schedule 9.2.3, § 1.00. Thus, AT&T's purported change changes nothing; the two Agreements are in substance identical. ALTS' assertion that the two are different and that the second "supersedes" the first is therefore frivolous. Accordingly, contrary to ALTS' assertions, comments directed toward the January 16, 1997 unexecuted

2/ A copy of Ms. Marsh's letter is attached hereto as Exhibit B.

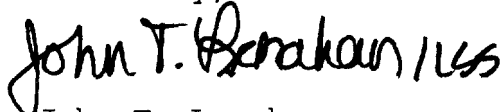
Ms. Regina M. Keeney
February 5, 1997
Page 6

Agreement will necessarily be equally applicable to the
January 28, 1997 executed version of the same Agreement.3/

* * *

Based on the foregoing, Ameritech Michigan respectfully
submits that the ALTS motion to strike should be summarily
denied, and the Commission and all interested parties should get
on with the real task at hand: dealing with the substantive
merits of our application.

Sincerely,


John T. Lenahan

JTL:dab
Enclosures

3/ Attached to this letter as Exhibit C is an exhibit
comprising the few pages of the Agreement that contain
changes from the January 16, 1997 filing. The changes are
noted by means of hand-drawn boxes. For comparison
purposes, we have submitted herewith a complete copy of the
fully executed Agreement filed with the MPSC on January 29,
1997. We have marked this Exhibit D.

EXHIBIT A



Philip S. Abrahams
Senior Attorney

13th Floor
227 West Monroe Street
Chicago, Illinois 60606
312 230-2645

January 27, 1997

HAND DELIVER

Mr. Ed Wynn
Vice President and General Counsel
Ameritech Information Industry Services
250 North Orleans, Floor 3
Chicago, IL 60654

re: AT&T/Ameritech Interconnection Agreement
State of Michigan

Dear Ed:

As you are aware, AT&T and Ameritech have been unable to agree upon the appropriate prices to be included in the Pricing Schedule to the Interconnection Agreement. Specifically, as outlined in our letter to the Michigan Public Service Commission on January 17, 1997, and our letter to your counsel in Michigan on January 17, 1997, we do not agree with your attempt to substitute the pricing for a "port" under Michigan law as established in Case No. U-11156 for unbundled local switching. We believe that such action is inconsistent with the arbitration decision. Also, the parties are unable to reach agreement as to the appropriate proxy charges for Shared Transport to be incorporated from Ameritech's access tariffs.

In order for AT&T to proceed with its plans to enter the local market in Michigan, AT&T needs to have an executed Interconnection Agreement with Ameritech. Therefore, to prevent further delays in our business plans, we are executing a modified version of the Interconnection Agreement delivered to me by Ron Lambert on January 15, 1997, which has been represented to be the same as the version submitted by Ameritech to the Commission on January 16, 1997. The only changes to your January 16th filing were made to the Pricing Schedule to reflect the appropriate prices for unbundled Local Switching and ports. These changes are consistent with Ameritech's Submission to the Commission on January 21 in Case U-11280.

January 27, 1997

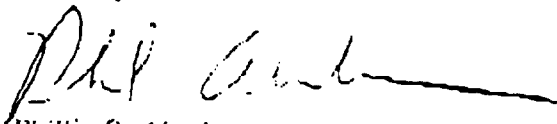
Page 2

Although AT&T has agreed to execute the Interconnect Agreement, by such action AT&T is not waiving its right to challenge Ameritech's interpretation of "Shared Transport," the arbitration decision of the Commission, or any other aspect of the Agreement that AT&T believes is contrary to the Telecommunications Act of 1996. As provided in Section 29.3 of the Agreement, should the arbitration award be modified as a result of an appeal, or subsequent order of the Commission, the Agreement will be modified accordingly.

Enclosed are five executed copies of the Interconnection Agreement which have been executed on behalf of AT&T by our Vice President, Bridget B. Manzi. Please have the Agreement executed on behalf of Ameritech and return two fully executed copies to me. You should also file one executed copy with the Commission. The Effective Date should be inserted as the date of execution by Ameritech.

Please immediately advise me if the Interconnection Agreement, as executed by AT&T, is not acceptable to Ameritech.

Sincerely,



Phillip S. Abrahams

cc: Larry Salustro
Kent Pflederer

EXHIBIT B



Jean Marsh
Attorney

Suite 1300
227 West Monroe Street
Chicago, IL 60606
312 230-2683

January 17, 1997

MICHIGAN PUBLIC SERVICE
FILED
JAN 17 1997
COMMISSION

Ms. Dorothy Wideman
Executive Secretary Division
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Dear Ms. Wideman:

RE: Case Nos. U-11151 & U-11152

On January 16, 1997, Ameritech Michigan filed with the Commission a copy of an Interconnection Agreement which purports to strictly comply with the Commission's November 26, 1996 Order. Based upon our initial review, this document differs from both the version of the Agreement filed by AT&T with the Commission on January 14, 1997 and the version filed by Ameritech with the Commission on December 26, 1996.

AT&T does not agree with Ameritech's representation that the modifications to the Pricing Schedule included with the revised Agreement filed by Ameritech on January 16th accurately reflect the interim rates established in the Commission's Order in Case Nos. U-11155 and U-11156. Case No. U-11156 was established to set rates for "loops" and "ports" as those terms are defined in MCLA 484.1102. While a loop under Michigan law is similar to an unbundled Local Loop under the Telecommunications Act of 1996, a port under Michigan law is clearly not the same as unbundled Local Switching.

Under Michigan law, a port is defined as follows:

"Port" except for the loop, means the entirety of local exchange, including dial tone, a telephone number, switching software, local calling, and access to directory assistance, a white pages listing, operator services, and interexchange and intra-LATA toll carriers. MCLA 484.1102(x)

Therefore, since a port under Michigan law includes functionality which is not included in unbundled Local Switching, it is not appropriate to use the rates established by the Commission in Case No. U-11156 for ports as interim rates for unbundled Local Switching in the Price Schedule for the Interconnection Agreement.

Furthermore, as you are aware, the appropriate rates for shared/common transport remains unresolved.

Sincerely,

Joan Marsh
(c)

EXHIBIT C

**INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE
TELECOMMUNICATIONS ACT OF 1996**

Dated as of January 20, 1997

by and between

AMERITECH INFORMATION INDUSTRY SERVICES,
a division of Ameritech Services, Inc.
on behalf of and as agent for Ameritech Michigan

and

AT&T COMMUNICATIONS OF MICHIGAN, INC.

MICHIGAN PUBLIC SERVICE
FILED

JAN 29 1997

COMMISSION

30.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original; but such counterparts shall together constitute one and the same instrument.

30.18 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein, which are incorporated into this Agreement by this reference, constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Specifically, the Parties expressly acknowledge that the rates, terms and conditions of this Agreement shall supersede those existing arrangements of the Parties, if any, set forth on Schedule 30.18. Neither Party shall be bound by any terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of this 20th day of January, 1997.

AT&T COMMUNICATIONS OF MICHIGAN, INC.

AMERITECH INFORMATION
INDUSTRY SERVICES, A DIVISION
OF AMERITECH SERVICES, INC., ON
BEHALF OF AND AS AGENT FOR
AMERITECH MICHIGAN

By: Bridget B. Manzi
Printed: Bridget B. Manzi
Title: Vice President

By: Neil E. Cox
Printed: NEIL E. COX
Title: PRESIDENT

ITEM V - Unbundled Network Elements**A. Unbundled Loop Rates****1. Recurring Rates**

	Monthly Rates Access Area ^U		
	A	B	C
2-Wire Analog			
Basic	\$ 9.31	\$ 11.84	\$ 14.67
Ground Start	\$10.12	\$ 13.13	\$ 15.79
Electronic Key Line	\$14.63	\$ 20.40	\$ 22.10
4-Wire Analog	\$22.33	\$ 29.91	\$ 34.70
Digital			
ISDN	\$11.18	\$ 14.84	\$ 17.26
4-wire 64 Kbps	\$ TBD	\$ TBD	\$ TBD
4-wire 1.544 mbps	\$ TBD	\$ TBD	\$ TBD
Cross Connect Charge			
(additional, per cross connect):			
2-wire	\$ TBD		
4-wire	\$ TBD		
6-wire	\$ TBD		
8-wire	\$ TBD		
DS1	\$ TBD		
DS3	\$ TBD		

Service Coordination Charge
- per carrier bill, per switch.

TBD

^U "Access Area" is as defined in Ameritech's applicable tariffs for business and residential Exchange Line Services.

2. Non-Recurring Rates

Service Order—Establish/Change: (Business or Residence)	\$38.44 ²¹
Line Connection: (Business or Residence)	\$32.76 ²²
Record Change	\$8.35
Provisioning Change	\$8.35

B. NID²³ No Charge

C. Switching

1. Unbundled Local Switching

	<u>Non-Recurring</u>	<u>Monthly</u>
--	----------------------	----------------

A. Custom Routing

- per new LCC, per switch

\$ TBD

B. ULS Ports

- Line Side Port without vertical features

\$.94

- Basic Line Port, per port

TBD

TBD

- Ground Start Line Port, per port

TBD

TBD

- ISDN-Direct Port,

per port

TBD

TBD

per telephone number

-

TBD

- DID Trunk Port,

per port

TBD

TBD

per telephone number

-

TBD

add/rearrange each termination

TBD

TBD

- ISDN Prime Trunk Port,

per port

TBD

TBD

per telephone number

-

TBD

add/rearrange channels

TBD

-

²¹ The Service Order Charge is a per occasion charge applicable to any number of Loops ordered for the same location and same Customer account.

²² The Line Connection Charge applies to each Loop.

²³ Access to Network Interface Device for Accessing Customer Premises Wiring (Inside Wire)

	<u>Non-Recurring</u>	<u>Monthly</u>
• Digital Trunking Trunk Port, per port	TBD	TBD
• Custom Routing Port, per port per individual trunk termination	TBD	TBD
• Centrex Basic Line Port, per port	TBD	TBD
• Centrex ISDN Line Port, per port	TBD	TBD
• Centrex EKL Line Port, per port	TBD	TBD
• Centrex Attendant Console Line Port, per port	TBD	TBD
C. Centrex System Charges		
• System Features, per common block	-	TBD
• Common Block establishment, each	TBD	-
• System features change or rearrangement, per feature, per occasion	TBD	-
• System feature activation, per feature, per occasion	TBD	-

2. Service Charges

Service Ordering Charges

• <u>Initial</u> Line port, per occasion	TBD	-
Trunk port, per occasion	TBD	-
• <u>Subsequent</u> per occasion	TBD	-
• Record Order per occasion	TBD	-
Conversion Charge		
• change from one type of line-port to another, per each changed	TBD	-
Ameritech Cross-Connection Service per carrier transport facility, -2-Wire (Line port), each		TBD
-DS1 (trunk port), (each individual trunk)		TBD

3. Service Coordination Fee
• per carrier bill, per switch.

TBD

4. Subsequent Training

• per Company person, per hour

TBD

	<u>Non-Recurring</u>	<u>Monthly</u>
5. ULS Usage		
- Billing Development	TBD	
		<u>Per Minute</u>
- Per minute of use or fraction thereafter		
- Initial Minute		\$0.0055
- Each Additional Minute		\$0.0022

Michigan Port

The rates, charges and prices for a port (as defined in MCLA 484.1102(x)) are as follows:

	<u>Nonrecurring Charge</u>	<u>Monthly Rate</u>
Basic Business/P.B.X.	\$47.30	2.12
P.B.X. Ground Start	47.30	2.57
Service Ordering Charge per occasion	12.34	-
	<u>Initial minute or fraction</u>	<u>Additional Minute or fraction</u>
Local Usage per minute of use	\$0.0034	\$0.0017
	<u>Non Recurring Charge</u>	<u>Monthly Rate</u>
Service Coordination Fee	N/A	\$0.74

4 OC-12 Rates

Rates, charges
and prices
proxied from
F.C.C. Tariff
No. 2, Section
7.5.10.

5 OC-48 Rates

Rates, charges
and prices
proxied from
F.C.C. Tariff
No. 2, Section
7.5.10.

6 STS-1 Rates

TBD

E. Shared Interoffice Transmission Facilities¹⁹

1 **DS1 Rates** Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9

2 **DS3 Rates** Rates, charges, and prices proxied from F.C.C. Tariff No. 2, Section 7.5.9

Proposal of Ameritech for the applicable rates for shared transport.

E. Shared Interoffice Transmission Facilities (referred to as Switched Transport Services in Ameritech's F.C.C. Tariff No. 2)

Rates, charges and prices proxied from F.C.C. Tariff No. 2, Sections 6.1.9 and 6.9.1

Proposal of AT&T for the applicable rates for shared transport.

¹⁹ A Shared Interoffice Transport Facility is a billing arrangement where two or more carriers share the features, functions, and capabilities of the transmission facility and share the cost. The actual price paid by each carrier is dependent on the number of carriers sharing the facility and the respective percentages designated for billing to each of the sharing carriers. The sum of the respective percentages must equal one hundred percent (100%). } Ameri

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Application of Ameritech)
Michigan Pursuant to Section) CC Docket No. 97-1
271 of the Telecommunications)
Act of 1996 to Provide In-Region)
InterLATA Services in Michigan)

Volume 1.1:
Interconnection Agreement between
AT&T
and
Ameritech Michigan

Executed Agreement

DICKINSON, WRIGHT, MOON, VAN DUSEN & FREEMAN
COUNSELLORS AT LAW
SUITE 200
215 SOUTH WASHINGTON SQUARE
LANSING, MICHIGAN 48933-1812

TELEPHONE (517) 371-1730

FACSIMILE (517) 487-4700

DETROIT, MICHIGAN
BLOOMFIELD HILLS, MICHIGAN
GRAND RAPIDS, MICHIGAN
WASHINGTON, D.C.
CHICAGO, ILLINOIS
WARSAW, POLAND

EDWARD R. BECKER
(517) 487-4727

January 29, 1997

Hand Delivery

Ms. Dorothy F. Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

RECEIVED
FILED

JAN 29 1997

COMMISSION

Re: Petition for Arbitration of Interconnection Terms, Conditions
and Prices from AT&T Communications of Michigan, Inc.
Case No. U-11151 and U-11152

Dear Ms. Wideman:

Enclosed for filing in the above-captioned case are an original and 15 copies of the fully executed Interconnection Agreement between AT&T Communications of Michigan, Inc. and Ameritech Michigan. The Agreement has been executed by Mr. Neil Cox on behalf of Ameritech Michigan and by Ms. Bridget Manzi on behalf of AT&T. This Interconnection Agreement supercedes all previously filed agreements.

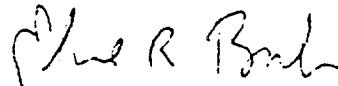
As indicated in the attached letter dated January 27, 1997, AT&T has relabeled the price for unbundled local switching ports to a "Michigan port." Because Ameritech Michigan understands there to be no legal difference between the two, based on the Commission's prior orders, Ameritech Michigan has no objections to this change.

In accordance with the express terms of the Commission's November 26, 1996 Order, Ameritech Michigan understands that the enclosed Interconnection Agreement has been approved by the Commission pursuant to that Order as of November 26, 1996. Ameritech Michigan further understands that the enclosed executed Interconnection Agreement will be made available for public inspection and to other telecommunications carriers pursuant to Sections 252(h) and (i) of the Telecommunications Act of 1996.

Ms. Dorothy F. Wideman
January 29, 1997
Page 2

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Edward R. Becker". The signature is fluid and cursive, with the first name "Edward" being more prominent.

Edward R. Becker

ERB:jrb
Enclosure

cc: Arthur Levasseur, Esq. (w/ encl) (Agreement to follow under separate cover)
Larry Salustro, Esq. (w/ encl) (Agreement to follow under separate cover)

JAN. -28' 97 (TUE) 11:28 A11S LEGAL

TEL: 312 595 1504

P. 002



Philip S. Abrahams
Senior Attorney

January 27, 1997

13th Floor
227 West Monroe Street
Chicago, Illinois 60606
312 230-2545

HAND DELIVER

Mr. Ed Wynn
Vice President and General Counsel
Ameritech Information Industry Services
250 North Orleans, Floor 3
Chicago, IL 60654

re: AT&T/Ameritech Interconnection Agreement
State of Michigan

Dear Ed:

As you are aware, AT&T and Ameritech have been unable to agree upon the appropriate prices to be included in the Pricing Schedule to the Interconnection Agreement. Specifically, as outlined in our letter to the Michigan Public Service Commission on January 17, 1997, and our letter to your counsel in Michigan on January 17, 1997, we do not agree with your attempt to substitute the pricing for a "port" under Michigan law as established in Case No. U-11156 for unbundled local switching. We believe that such action is inconsistent with the arbitration decision. Also, the parties are unable to reach agreement as to the appropriate proxy charges for Shared Transport to be incorporated from Ameritech's access tariffs.





In order for AT&T to proceed with its plans to enter the local market in Michigan, AT&T needs to have an executed Interconnection Agreement with Ameritech. Therefore, to prevent further delays in our business plans, we are executing a modified version of the Interconnection Agreement delivered to me by Ron Lambert on January 15, 1997, which has been represented to be the same as the version submitted by Ameritech to the Commission on January 16, 1997. The only changes to your January 16th filing were made to the Pricing Schedule to reflect the appropriate prices for unbundled Local Switching and ports. These changes are consistent with Ameritech's Submission to the Commission on January 21 in Case U-11280.

January 27, 1997

Page 2

Although AT&T has agreed to execute the Interconnect Agreement, by such action AT&T is not waiving its right to challenge Ameritech's interpretation of "Shared Transport," the arbitration decision of the Commission, or any other aspect of the Agreement that AT&T believes is contrary to the Telecommunications Act of 1996. As provided in Section 29.3 of the Agreement, should the arbitration award be modified as a result of an appeal, or subsequent order of the Commission, the Agreement will be modified accordingly.

Enclosed are five executed copies of the Interconnection Agreement which have been executed on behalf of AT&T by our Vice President, Bridget B. Manzi. Please have the Agreement executed on behalf of Ameritech and return two fully executed copies to me. You should also file one executed copy with the Commission. The Effective Date should be inserted as the date of execution by Ameritech.

Please immediately advise me if the Interconnection Agreement, as executed by AT&T, is not acceptable to Ameritech.    

Sincerely,



Phillip S. Abrahams

cc: Larry Sahistro
Kent Pfleiderer